

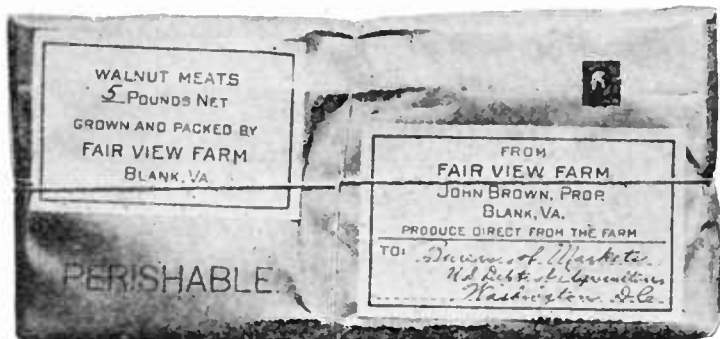
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PARCEL POST BUSINESS METHODS

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Assistants in Marketing by Parcel Post



FARMERS' BULLETIN 922

UNITED STATES DEPARTMENT OF AGRICULTURE

Contribution from the Bureau of Markets

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HOUSEWIVES appreciate receiving farm produce which they know to be fresh. Many farmers within 150 miles of cities have regular supplies of high-grade produce, the quality of which they can guarantee. The parcel post offers a means of direct dealing between producer and consumer, with profit to both.

Parcel-post shipments are increasing in number, though probably they always will affect only a small percentage of the farm produce that goes to market. Dealing by parcel post succeeds if the farmer is careful to keep up the quality of his produce, packs it safely and attractively, and meets his engagements promptly—always supposing that the consumer also observes business methods in the transaction.

This bulletin gives detailed suggestions regarding means of obtaining customers and methods of carrying on business, with samples of suitable letterheads, bills, order blanks, and other business forms.

PARCEL POST BUSINESS METHODS.

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NEED OF BUSINESS METHODS IN PARCEL-POST MARKETING.

MANY FARMERS already have a fairly satisfactory market and the increase in returns possible through direct marketing by parcel post would not pay for the effort expended. Some producers, however, have either a poor market or a product of good quality that might be sold profitably by employing the parcel post and shipping direct to housewives in cities. The steadily increasing number of packages containing farm produce arriving daily at the post offices of the larger cities proves that producers are gradually realizing the possibilities of direct marketing and are taking advantage of them.

Marketing by parcel post or by any other means of transportation direct from producer to consumer, however, is a satisfactory method of marketing only under certain conditions. The produce sent from producer direct to consumer always will constitute a comparatively small percentage of the total food supply. This is true because of the advantage of transporting most commodities in car lots, the prohibitive cost of parcel postage to the more distant zones, the fact that most purchasers prefer to see what they buy, and because of other economic conditions.

Without satisfactory business relations between producer and consumer parcel-post marketing can not prove a success. Any distrust that exists must be removed if success is to be attained. It is the

purpose of this bulletin to point out ways and means whereby the business relations may be made satisfactory to both parties.

While it may be attractive to a city dweller to believe that he can have a vegetable garden grown for him 100 miles or 150 miles away, place his orders for the cost of a stamp, and have the produce delivered at his door, it should be remembered that not all farm products lend themselves to direct marketing by parcel post. Usually it is impracticable to market such heavy products as potatoes by parcel post, whereas eggs, butter, sausage, poultry, many vegetables, and nut meats may frequently be shipped with profit and at a saving to the purchaser. In general the greater the value per pound the more favorable is the chance for direct marketing.

Since the direct marketing of farm products by parcel post is different in many ways from the ordinary plans of selling such products, the following suggestions and methods are given.

ESTABLISHING BUSINESS RELATIONS.

In practically every city there are persons who wish to buy fresh produce direct from the farmer, while within 150 miles (first and second parcel-post zones) of these cities there are many farmers who desire to market their produce by parcel post. The bringing of these persons into business contact is one of the most difficult problems of parcel-post marketing.

FRIENDS AND RELATIVES AS CUSTOMERS.

Naturally, first contacts are with friends or relatives. For producers who wish to market by parcel post the most satisfactory way of finding customers is to write to friends, relatives, or acquaintances in cities, seeking their trade. Purchasers, on the other hand, often can locate reliable producers by correspondence with friends, relatives, or acquaintances in the country. More than 75 per cent of the produce being marketed by parcel post in a number of cities in which investigations have been made is sent by persons who obtained their customers through friends, relatives, or acquaintances.

Making business contact is less difficult between friends because there is an absence of the suspicion and distrust that sometimes is found between strangers. Many persons will not order farm produce from strangers because they do not know the conditions under which the articles are produced.

Although the ways of obtaining customers are numerous, no method is so promising as that of working up a trade with or through friends. This method of establishing business relationship

is especially recommended for the general farmer who has a limited amount of produce. Those who wish to market a great deal of produce by parcel post may find it necessary to obtain customers by personally soliciting strangers or through advertising in newspapers and by other means.

SEEKING CUSTOMERS AMONG STRANGERS.

If a producer who desires to market produce by parcel post has no friends or acquaintances who wish to buy direct, or if a sufficient number of patrons can not be obtained among his friends, he must seek customers among strangers. This may have to be done by those also who wish to obtain a number of customers in a short time.

The farmer would do well to write to acquaintances, asking them to recommend him to others, or to supply him with the names and addresses of reliable acquaintances in town who might be interested in the proposition. The farmer should try to induce such friends to act as city references by answering inquiries and by giving general information. When the farmer asks friends to recommend him to others, he should supply them with full information so as not to make the matter burdensome. Where the business is to be on a scale which warrants the expense, it should be found effective to supply friends with neatly printed circulars describing the plan and giving lists and prices of produce. In the absence of a printed statement the farmer should supply such friends with one or more copies of a legibly written statement giving details.

In order to obtain satisfactory results from advertising in a newspaper, the paper selected must have a circulation among persons to whom the advertisement would appeal. Best results usually are obtained from the papers which carry special parcel post advertising departments, or which devote to that purpose sections among the classified advertisements. Very few papers have such departments. An inquiry eliciting replies from 635 postmasters shows that in only 17 cities are papers published which give special attention to advertisements for marketing by parcel post. Information received from persons who have advertised farm produce for sale indicates that usually advertising is not profitable for the general farmer, but often gives satisfactory results to the producer who specializes in some product that can be shipped throughout the year. Advertisements should be short and should give a description of the goods with the prices, and the name and address of the person advertising. In some cities the Sunday edition of a newspaper gives better results than the daily edition. The person who advertises must offer a product that is wanted by the persons who read the paper at the time the product

is advertised, in the places where the paper has a circulation. In other words, he must know what to advertise, when to advertise, and where to advertise.

The following advertisements are given merely as suggestions, as the wording can be changed to meet the conditions of each farmer:

FRESH EGGS direct from farm. Send ——— for three dozen delivered by parcel post prepaid. Fair View Farm, Blank, Va.

BUTTER direct from dairy. Fresh, clean, and sweet. Send ——— for two pounds delivered postpaid by parcel post. Fair View Farm, Blank, Va.

FRESH VEGETABLES for the family. Quality guaranteed. Send ——— for basket of assorted vegetables delivered postpaid by parcel post. Fair View Farm, Blank, Va.

CHERRIES from the tree to you by prepaid parcel post. Picked the day they are mailed. Send ——— cents for ——— quarts to Fair View Farm, Blank, Va.

Form letters, circulars, or cards sent to a selected list of persons have been suggested often as means of obtaining customers for produce by parcel post. In some cases in which this plan has been tried it has not been successful. Persons who wish produce of high quality sometimes will not order from a stranger who has not been recommended to them. The cost of obtaining customers by circularizing is often great, and unless the names of persons to whom the circulars are sent are selected very carefully this method of obtaining customers can not be especially recommended.

Some enterprising producers have secured valuable customers by using names and addresses selected from telephone and city directories. Indications of financial standing sometimes may be obtained by noting the business or profession and the section of the city where they conduct business or where they reside. This method, however, necessitates a knowledge of the character of various parts of the city.

Customers may be obtained by making a personal canvass in a selected neighborhood in a city. The neighborhood should be one which is not supplied with a great many markets or green grocery stores in order that the competition may not be as keen as it would be in a neighborhood that has excellent marketing facilities. A suburban district of homes with good incomes offers a good field in which to solicit trade. In many such districts the delivery service of the groceries is not as satisfactory as in the city.

Success in making a personal canvass depends in a large measure on the personality of the person making the canvass. He should state his business clearly and concisely, showing the prospective customer why it is advantageous to buy produce by parcel post. Soliciting trade should not be undertaken by a person who is not neatly dressed, as it is naturally assumed that a person who is careless in other matters will be careless in the preparation of produce that he has for sale. When soliciting trade it is advisable to have samples of produce to show what can be furnished. The samples should represent fully and honestly the produce to be supplied; if they misrepresent, failure is sure to follow. Cards giving the name and address of the producer and the nature of his marketing are useful. A personal canvass usually results in more customers than does advertising or the sending of form letters, as nearly everyone prefers to know the person with whom business is transacted.

If the producer's farm is on or near a much-traveled road an attractive farm bulletin board placed conspicuously near the road is a help to both producer and consumer in making business contact. Many city dwellers now travel far out into the country by automobile, and this fact can be turned to account in securing customers by using a bulletin board. This method will be especially useful on clean, well-kept farms. The statements on the board should give the articles for sale, together with their prices, delivered to the purchaser's door by parcel post, and the main items should be in lettering large enough to be read quickly. This plan has enabled a number of producers to secure all the customers they could supply.

Warning notices might be placed at a proper distance in each direction from the main bulletin board. The wording on these warning boards should be brief but pointed, such, for example, as "Fair View Farm. Read Marketing Bulletin Ahead."

The postmasters in 41 cities, under the direction of the Post Office Department, have instituted campaigns intended to foster parcel-post marketing. The names and addresses of producers, together with the kinds of produce offered, are listed free for distribution to the patrons of the offices; and some of these postmasters issue for distribution to producers lists of names of consumers who wish to buy. Many producers and consumers have established business relations by this method. For various reasons some have found their dealings unsuccessful. Much depends on promptness and on businesslike methods in answering correspondence.

A producer who wishes to have his name listed should write to the postmaster of the city selected, giving his name, address, the produce offered for sale, and prices. Persons in any of these cities can obtain a copy of the list on application to the postmaster either

by letter or in person. The cities in which campaigns have been instituted are as follows:

Athens, Ga.	Greenville, S. C.	New Orleans, La.
Atlanta, Ga.	Hartford, Conn.	Philadelphia, Pa.
Austin, Tex.	Indianapolis, Ind.	Pittsburgh, Pa.
Baltimore, Md.	Jacksonville, Fla.	Portland, Oreg.
Birmingham, Ala.	Kansas City, Mo.	Providence, R. I.
Boston, Mass.	La Crosse, Wis.	Raleigh, N. C.
Brooklyn, N. Y.	Lawrence, Mass.	Richmond, Va.
Chicago, Ill.	Lincoln, Nebr.	Rock Island, Ill.
Cincinnati, Ohio.	Los Angeles, Cal.	San Francisco, Cal.
Cleveland, Ohio.	Louisville, Ky.	Seattle, Wash.
Dallas, Tex.	Lynn, Mass.	St. Paul, Minn.
Denver, Colo.	Memphis, Tenn.	St. Louis, Mo.
Detroit, Mich.	Minneapolis, Minn.	Washington, D. C.
Galveston, Tex.	Nashville, Tenn.	

HOW THE CONSUMER CAN FIND A PRODUCER.

Many city dwellers who spend a week or more in summer in some neighboring country district could make it their business to become acquainted with farmers and complete arrangements for buying produce by parcel post. In parts of Europe many families consider the making of such arrangements an important feature of their vacation trips. Similarly, a farmer could make desirable connections by meeting city people on their vacations and perfecting arrangements for supplying their families with vegetables, fruits, eggs, or butter. Such meetings make it possible to settle all details and allow the customer to judge of the quality and character of the produce in advance.

Frequently, under such conditions, it is possible for city consumers to enter into arrangements with a farmer or gardener whereby he will agree to increase the amount of vegetables he grows in his farm garden and to raise certain specialties which the customers may wish to buy. This can even be extended into a sort of partnership arrangement in which the farmer manages a country garden to supply the city consumer's table. Under this arrangement the city consumer practically has a kitchen garden of his own, though it may be many miles distant.

In some instances the consumer will wish to make contact with a producer by inserting an advertisement in some paper known to circulate in the section of country in which he thinks a suitable producer may be found. Such an advertisement might read as follows:

A BALTIMORE FAMILY of six wants a gardener or truck farmer to supply it regularly with fresh assorted vegetables by parcel post once a week throughout the year. For particulars address ———.

This is simply a suggestive form for such advertisements. The number constituting the family to be supplied, the frequency of shipment, and the portion of year during which the shipments are desired can be stated according to circumstances. For instance, some families might desire shipments twice a week, but none at all during the months of July and August because of absence from the city.

Another form for the advertisement may be as follows:

WANTED—A farmer who takes pride in his vegetable garden to plant enough garden this year for his own family and a family of three in the city of _____. Write at once to _____.

Or it might read as follows:

A CITY MAN desires to have a garden grown for him in the country. For particulars write to _____.

TRIAL ORDERS.

The producer who wishes a new customer should seek the privilege of making a trial shipment. A plan for the trial shipment should be worked out completely so that the prospective customer can be told the quality, quantity, and general variety that can be shipped and the total cost for such a shipment delivered at his house. If possible the size of the customer's family should be learned and an offer made of a shipment that will supply fresh vegetables to such a family for a specified number of days. If the prospective customer is known to be reliable the farmer should be willing, inasmuch as he wants to sell his goods, to make the first or sample shipment at his own risk. The condition should be made that the customer is to be judge of value received and that if the goods in the trial shipment are not entirely satisfactory in quality or in price the customer's opinion as to what they are worth will be accepted and the bill adjusted or a refund made. Where the reliability of the prospective customer is entirely unknown to the producer it is preferable to have a cash transaction with the first order. The producer should remember that the customer has no more business reason for trusting him than he has for trusting the customer, and should make it clear that he will be glad to make any adjustment necessary in the transaction so as to leave the customer entirely satisfied.

The situation is exactly reversed where the city family seeks to induce a farmer to ship products. It is only fair to send cash with the first order and continue the cash business until credit arrangements satisfactory to both sides can be established.

BUSINESS RELATIONS WITH CUSTOMERS.

Once contact has been made and shipping begun it is important that proper business relations be established and maintained, for on these depend success. The difficulty frequently met in obtaining the first order makes it important for the producer to use businesslike methods to retain the trade that he secures.

Whether a person is successful in parcel-post marketing depends largely on his adaptability to this work. If routine and detailed work is distasteful to him he may never learn how to keep up a business relationship. Thousands of persons who have been successful in obtaining customers have been unsuccessful in keeping them. Much has been learned from the experience of both successful and unsuccessful shippers.

The most important feature in a business relationship is a square deal. Good grading of produce, strict business honesty, prompt attention to correspondence and orders, and satisfactory adjustment of complaints are needed. The consumer as well as the producer should do his part in these matters.

FORMS.

If a farmer expects to develop a business of selling produce to strangers he will find it advisable to have printed stationery bearing the name of the farm, with envelopes to match. If the farm is not named an appropriate name should be selected. A simple, though attractive and businesslike letterhead can be printed without much cost. (See form 1.) It should give the name and location of the farm, the farmer's name, and a simple statement of the business. Elaborate and highly colored letterheads embellished with illustrations of buildings, fruits, or animals should be avoided.

FORM 1.—*Suggestion for letterhead.*

FAIR VIEW FARM.

John Brown, Proprietor.

PRODUCE SHIPPED BY PARCEL POST DIRECT FROM THE FARM.

Blank, Va., _____, 191—.

Blank statement forms or invoices to fill in and inclose with shipments should be supplied. Persons receiving produce by mail wish to know the price of the shipment, and by the use of printed statement forms the shipper can furnish this information without much trouble. If it is not desired to use a printed form for each shipment, the price of the produce can be entered on a blank piece of paper, but the use of a printed statement form is recommended for those who send produce to persons who pay at stated times. Form 2 shows a form that may be used either for an invoice with each shipment or for rendering a monthly statement. A bill or statement covering more than one shipment must not be inclosed in a parcel, as it is first-class mail matter.

FORM 2.—*Suggestion for bill or statement.*

M _____ Dr. Blank, Va., _____, 191—.

To FAIR VIEW FARM,
John Brown, Proprietor.

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Each parcel must bear the name and address of the shipper, the name and address of the person for whom intended, and the nature of the contents, such as "Fragile" or "Perishable." As tags frequently are torn off, it is best to have this information written or stamped directly on the outer wrapper or container. If the only mark of identity of producer and consumer is on a tag and the tag is lost, the parcel can neither be delivered nor returned to the sender.

Producers who have business enough to justify them may secure gummed labels worded somewhat as follows:

From
Fair View Farm,
John Brown, Proprietor,
Blank, Virginia.
PERISHABLE.
EGGS.

The wording may be changed to suit the product shipped, changing "Eggs" to "Poultry," "Butter," or "Vegetables," and "Perishable" to "Fragile," as the case may require.

These labels, if properly applied, should not come off. They will serve as an advertisement and may result in inquiries from other customers.

Books should be provided so that records can be kept of all shipments. There is no prescribed form or size for these books, but they should provide a permanent record of the date of shipment, customer's name and address, the product and quantity sent, the price and amount of bill, and the weight of shipment. Other data of value may be recorded, such as kind and cost of container, credit for return of containers, net amount of bill, and date of payment.

Form 3 shows a form which provides for such a record. This form can be of any size desired. The keeping of complete records of this kind requires considerable work, but it is desirable when the business is sufficient to warrant it. Such columns as are not wanted may be omitted from the form. If a farmer is shipping to but one or two customers it may not be advisable to keep such complete records, but some record should be kept of every shipment. If shipments are made to a number of persons, an alphabetical list of customers should be kept. Space can be provided in the front of the record book for

these names. The surname should be entered first under the proper letter, then the initials and address.

FORM 3.—*Suggestion for record of shipments.*

Date of shipment.	Customer's name.	Address.	Quantity shipped.	Kind of produce.

CORRESPONDENCE.

In conducting a mail-order business much depends on correspondence. Comparatively few persons like to write letters; consequently, producers should do all they can to carry on direct marketing in such a way as to require few letters from their customers. However, the very nature of mail-order business, even with the use of the most simplified system, necessitates correspondence. Farmers must learn to answer correspondence and inquiries from customers or prospective customers. This should always be done promptly, whether the answer is favorable or not. Many persons who have had their names listed by postmasters have failed to make any reply when they received inquiries. Business can be secured and retained only by using businesslike methods, which should be simple but must be prompt. The name and full address of the writer should always be given, as failure to do this often prevents reply to important business correspondence.

SIMPLIFYING MAIL ORDERS.

Every extra letter that the producer or consumer has to write is an obstacle to the establishment of parcel-post business; it is an added cost and source of lost time and annoyance. It is therefore highly important in getting a customer to give a trial order, and at every stage of later ordering to reduce as far as possible the amount of writing that must be done.

The first letter sent by the producer in seeking to establish parcel-post marketing relations should explain the plan clearly, anticipate all usual questions, and should tell the customer exactly what can be furnished and how much, exactly the amount of money the goods will cost delivered, and when and how they will be delivered. Similarly the customer in seeking a producer should tell as explicitly as he can what he wants, when he wants it, and should give a general idea as to prices. The first letter also should establish clearly the reliability of the writer. Unless all these points are fully covered at the start, both producer and consumer may feel uncertain about proceeding further in the matter.

FORM 3.—*Suggestion for record of shipments—Continued.*

Kind of container.	Weight.		Local country price.	Cost of container	Postage.	Amount of bill.	Credit for container returned.	Net amount of bill.	Date of payment.
	Lbs.	Oz.							

REDUCING HANDWRITING TO A MINIMUM.

The plan which calls for the least correspondence is the regular weekly shipment of a definitely priced assortment of products, the producer first learning what the consumer wants and what he does not want. If this plan is not used it is necessary for the farmer to send his customers, from time to time, a list of the products he has for sale and their prices. The customers then make up their individual orders for such goods as they desire.

The writing of such a list each week by hand will be found very troublesome, particularly if the producer has several customers, each of whom must be supplied with a copy. This labor may be avoided by having printed or mimeographed lists of all the products that will probably be available for sale during the season. After the name of each product there should be a blank space in which the current price of that product may be entered. Before each name another blank space should appear, in which the customer can enter the amount of that product wished. He can then return the list as an order. As shown in Form 4, this sheet can be so worded as to constitute a price list, an order blank, and a statement of products which will be available one or two weeks ahead. Prices can be inserted in such a list quickly and it is equally easy for the customer to indicate his wishes for the next shipment.

FORM 4.—*Suggestion for order card for cash customers.*

To Fair View Farm,

Blank, Va.:

Enclosed find \$——, for which please send me by parcel post, charges prepaid, items I have checked.

—— doz. eggs @ —— per doz. \$——
 —— lbs. butter @ —— per lb. ——
 —— lbs. dressed poultry @ —— per lb. ——
 —— @ —— per —— ——
 —— @ —— per —— ——

Total, \$——

[Sign here] ——

Street and number ——

City —— State ——

Postage extra beyond second zone.

A similar card could be used for credit customers. This should be supplied with name and address for return and should be stamped. The wording should be changed by omitting the words "Enclosed find \$——— for which."

An easier means of sending out price lists for securing orders is the double or return postal card. The list should be printed on the back of the return half of the card, while the producer's name and address are written or printed on the face. The first or initial half of the card should bear on its face the name and address of the customer, and the back may be used for comment on the availability of certain fruits or vegetables, or for any other necessary correspondence. The customer can tear off the reply half, indicate the amount of each article wanted, sign his name, and mail the card. This system costs in postage but little more than one letter, while the system outlined in the preceding paragraph requires two letters, one from the farmer to the customer and one in return. Both producer and consumer are saved the cost of an envelope and the trouble of folding and sealing. In addition, the customer is saved the trouble of addressing an envelope and the cost of a stamp.

Another plan is for the producer to have his list of articles printed on postal cards, with spaces to enter prices and for the consumer to enter the order.

Should the farmer not care to buy stamped cards, he can have the price list printed on the back of a self-addressed mailing or post card, which is forwarded to the customer in an envelope. The customer needs only to fill in the card, affix a stamp, and mail.

The cost of issuing a price list in blank could be reduced materially by the cooperation of several farmers. Such a list should show all the products raised by the group, but could be used by each individual producer in dealing with his own customers.

Where such brief forms are used, however, the farmer should occasionally write a personal card or note to his customer to show interest, explain seasonal changes in the nature of shipments, or furnish information as to fruits or vegetables soon to be ready for market. This may be done on the initial half of the return postal card. If possible, space should be left on the return half of the postal card for the customer to note the condition of the previous shipment or make suggestions as to goods desired.

DETERMINING PRICES.

Many farmers have an erroneous idea as to the prices that city dwellers are willing to pay for farm produce. On the other hand not a few city purchasers think that the farmer receives a very low price for his produce when he sells it locally. In attempting to market by parcel post, farmers too often ask exorbitant prices, and

city consumers often expect to receive produce at prices which would allow no profit to the farmer if he sends small quantities by parcel post. The parcel post offers inducements to farmers who have products of good quality and who can not market to advantage in large quantities, and to consumers who wish produce direct from the farm. Consumers will not pay more than the city price unless a superior article is obtained. Farmers will not market by parcel post unless they can obtain enough over their local price to pay for container, postage, and extra labor. A proper understanding of both sides of this question will assist both producers and consumers in agreeing on prices. Consumers should bear in mind that most farmers sell ungraded produce locally, and if graded produce of high quality is furnished by parcel post, a higher price must be expected.

It is advisable to have some basis from which to figure prices of certain kinds of produce, as misunderstandings and distrust about prices have caused much dissatisfaction with direct marketing. The use of the local country price or the wholesale city price as a basis has proved satisfactory in most cases. The farmer can readily ascertain the amount that he must charge above his local price, when he considers the cost of container and postage, and the extra labor involved. If satisfactory to both producer and consumer, a contract price for a stated period can be made. An agreement must be reached as to whether or not the price includes all charges for produce, container, and postage. It has been found that purchasers usually prefer to have quoted to them a price which includes all charges. Whatever agreement is made as to prices, the farmer should abide by it strictly and give his customers no cause for distrust.

PRICES BY THE YEAR.

Because of unequal production and wide variation of prices it has proved difficult for persons to agree on a uniform year-round price for produce engaged by the year. Only when the producer can fill orders at all seasons of the year and each party is sure of the reliability of the other is this plan the best. Usually, when eggs or other farm products are high in price and production is small, the farmer must stop shipments temporarily, which is hardly fair to the consumer who has paid more than the market price through the summer with the expectation of receiving produce in winter at a price lower than the market quotations. Nor is it fair after the farmer has shipped eggs at a low price through the winter for his customers to inform him that they are to take a vacation of a month and will not need eggs during July, when he has been expecting to make a profit.

CITY MARKET REPORTS.

Many farmers and most city consumers have daily market reports available in the newspapers and may base prices on them. Un-

fortunately such reports vary in different newspapers, and often producers and consumers do not see the same reports. Where a producer and a consumer receive the same newspaper the market reports may prove satisfactory as a basis for determining prices.

ALLOWING THE FARMER TO FIX THE PRICE.

If an order blank is not used and the consumer is assured that the farmer understands business methods and is conscientious and fair-minded, he may allow the farmer to set the prices after the order is received. Protests may be made at any time, and if developments are unsatisfactory trade may be stopped. Many consumers have used this method with satisfaction to themselves and the farmer. The local country price may be used by the farmer as a basis from which to determine the amount to be charged. There is danger that some producers will overcharge because of an erroneous idea of city market prices or because of a lack of knowledge of basic business principles. Reports of high city retail prices should not receive serious consideration as a basis, for such high prices usually are of short duration and often represent the sales of fancy articles to a few wealthy consumers.

ALLOWING THE CONSUMER TO FIX THE PRICE.

Some farmers furnish produce at prices that are determined by their customers. This plan is acceptable to very few farmers—in fact, only to those who have a great deal of confidence in the persons to whom produce is sent. Consumers can use their city retail market price as a basis for determining what they care to pay. For this plan to be satisfactory to both parties the consumer either must effect a saving or obtain a better product, while the farmer must receive a better price than he can get at his local market.

FIGURING PRICES IN ASSORTMENT SHIPMENTS.

Unless confidence between buyer and seller has developed to such an extent that the producer feels free to ship on his own judgment, with the certainty that the consumer will accept his price as fair, the producer selling from list must give great care to determining the gross price he is to ask and his net profit. This is somewhat difficult, as the producer must bear in mind the bulk and weight of vegetables and fruits, the weight of container and packing, and the bulk that he can get into a package, with reference both to postage and to size and weight limits of parcel-post packages. The cost in time and material for proper packing also must be considered. The shipments should be adjusted so that the quantity of each variety shipped will be enough for a proper serving of the family for which it is intended. In endeavoring to satisfy the customer the producer also must bear in mind, more or less, the retail prices for similar products

in the cities. In making an assortment especial care must be exercised not to include in it too much of a heavy and low-priced product, but to give the customer good total value.

Possibly the easiest way for the farmer to make profitable assortments is to determine what he wishes to receive net for each product and then, after figuring out the weight or bulk of a typical portion, to add a proper allowance for postage and packing. If he can figure his price throughout in terms of pounds it will be easy to figure the delivery price, including postage. But after some experience the producer should be able to distribute cost of packing and postage on a percentage basis. Under this plan he can easily determine how many pounds of each product he can afford to include for a given gross price, including postage.

When the price is to cover the return postage on the containers this item should be included with the postage. The easiest plan of settling for postage on return of containers, if the customer buys the stamps, is to deduct this amount from the price of the next shipment following the return of the containers. An addressed return tag for use on the empty containers should be furnished by the farmer.

ARRANGING FOR PAYMENTS.

Difficulty in arranging for payments hinders the growth of direct marketing. The farmer prefers cash in advance for his produce. This system is not satisfactory to many consumers because of the necessity of making frequent payments and because the exact price is not always known. However, the farmer should never send produce without payment in advance to a stranger who has not exchanged recommendations with him. Although the majority of persons are honest and will pay for produce received by parcel post, unfortunately there are persons who order farm products without intention of paying. A few such losses will reduce the farmer's profits materially.

Consumers who have not been recommended should not expect producers to send goods by parcel post without having received payment. It is easier for producers to furnish satisfactory references than for many persons in cities, as in the country nearly everyone is known by the postmaster and banker. If a producer furnishes satisfactory references the consumer should be willing to send cash in advance until the producer has opportunity to learn of the reliability of the person to whom he is sending produce.

If a prospective customer furnishes references the producer, before sending produce, should write to the persons to whom he has been referred, as anyone, no matter how unreliable, can send the names of persons as references. In many instances producers have been satisfied when the mere names were furnished, and no effort

has been made to ascertain the reliability of the person who sent the names. When unable to collect the money for produce sent, these farmers have learned that the persons whose names had been used as references were no more reliable than those who had furnished the names. Persons whose names are furnished by prospective customers should be business or professional men if possible.

If a producer is satisfied as to the reliability of his customers, credit should be extended and settlements required periodically, preferably each month. This will prove more economical and satisfactory than the cash-in-advance system. An invoice should accompany each shipment and the bill sent in at the end of the month should be a summary and total of the various invoices.

Producers who wish to market certain of their products direct to the consumer by parcel post should consider that they are entering upon a small retail business, where they must necessarily encounter the disadvantages under which a retailer always labors. One of the most difficult of these is the proper use of credit. Many retail business houses have been ruined by the refusal of such credit and others by the too liberal extension of it.

When properly used the extension of credit to customers buying by parcel post is often satisfactory, but it must be remembered that extending credit is a business proposition and requires a knowledge of business relationship.

The collect-on-delivery service of the Post Office Department may be used to advantage when sending packages of considerable value, but it is thought by most persons to be too expensive for ordinary farm produce shipments. However, when this service is used, it eliminates all danger of loss of payment.

INSURANCE OF PARCELS.

For 3 cents the producer may insure a parcel with the Post Office Department against loss or damage for the actual value of the contents up to \$5. For parcels of a greater value a higher fee is charged. For those desiring it, this service provides an inexpensive method of avoiding financial loss by the misshipping or breakage of parcels. It has been found that actual loss of parcels or damage to them is usually very small.

QUALITY AND APPEARANCE OF PRODUCE.

It has been shown that the consumer can not expect to receive produce by parcel post at a price much lower than the local retail price. The producer's appeal to customers, therefore, is largely through the quality and appearance of his produce. The consumer has come to expect a uniform product and will not be satisfied with a shipment of miscellaneous ungraded produce. As the sending of anything but high grade material will result in failure to retain

trade, and as many persons have discontinued ordering produce by parcel post because they received one shipment that was unsatisfactory in quality, it is better for a producer to reject an order than to send such goods. The produce should be uniform in size, color, and quality and should be packed so that the contents and container will carry properly, arrive in good condition, and present a satisfactory appearance.

Quality is very important, but probably more produce is judged by appearance than by quality. Some farmers are prone to think of the likes and dislikes of the purchaser as whims and fancies, whereas, as a business principle, he should endeavor to cater to the desires of his customers. It is known that white eggs sell better in New York, while brown eggs bring a premium in Boston. The average farmer cares little whether eggs are white or brown, but this indifference should not govern what he sends to customers.

VARIETIES OF PRODUCE AND CONTINUOUS SUPPLY.

Many persons do not market by parcel post because they do not have a large variety of produce or because their supply is available only part of the year. While it is true that a continuous supply of a number of products is more satisfactory to customers, such a supply is not absolutely necessary in order to establish a parcel-post trade. Many persons have secured customers by specializing in one or two kinds of produce, such as butter or eggs, which can be supplied during the entire year, and then these customers have offered an outlet for other commodities which can be furnished only occasionally or for produce which is rarely to be had on city markets. In most of these cases it was necessary only to send a letter or card to satisfied regular customers asking them if they wished to obtain certain kinds of produce that were for sale at that time. Such letters tend to keep up a personal relationship between the producer and his customers which makes it easier to keep up business relations.

CONTAINERS.

The cost and treatment of containers have much to do with success in marketing by parcel post. A container should be cheap, neat, and light. The amounts involved in most parcel-post shipments of farm produce do not warrant the use of an expensive, heavy package because of the first cost and the charges for postage. The container should be adapted to the particular produce shipped and should be whole and clean.

The trouble of returning empty containers often influences people to discontinue parcel-post marketing. The city dweller often has little room to keep containers, and it is not practicable to return them singly, for the cost of postage is high on small shipments. Then, too, it is often inconvenient to take a bulky package to the

post office station. If the customer can not conveniently store them and return three or four at one time the producer should, if possible, use containers that are cheap enough for a single service. Containers should never be bought with price as the only consideration, however, as they should be strong enough to carry the contents safely. For many shipments cheap splint baskets are satisfactory and the cost is so small as to make the return of them unnecessary. Any plan concerning the return of containers should be clearly understood by both producer and consumer before shipments are made.

ADJUSTING DIFFERENCES.

The producer who establishes a mail-order business in farm produce must expect to receive complaints. Upon receipt of a shipment a customer may be dissatisfied with the quality or appearance of the produce, which may have been caused by rough handling or delay in delivery. Often when shipments of this kind are received a customer writes a letter to the producer accusing him of unfair business methods. In instances of this kind the producer may be tempted to write a discourteous letter in reply, but he must bear in mind that no business man can afford to do so, no matter how unfair the letter received may seem.

The success of persons who have sold goods by means of mail orders is due largely to their guaranty to give satisfaction or to refund the money. Because they have adhered strictly to this guaranty the confidence of the buying public has been firmly established and, through recommendations of satisfied customers, the business has grown from year to year. Many customers who were dissatisfied with the quality of produce received from a person who sold by mail later became satisfied customers and good advertisers because of a prompt adjustment of the matter. There is no better way of establishing confidence and eliminating distrust than by the prompt adjustment of differences. If a producer becomes convinced that a customer is unfair and unreasonable he should write a letter telling him that his trade is no longer desired. This letter should never be discourteous, if for no other reason than because antagonism never pays profits to a person in business.

If, in all dealings, a producer is prompt, fair, and reliable, he will be able to obtain and retain business that otherwise would be lost. A producer who undertakes a business in parcel-post marketing can not hope to make great profits nor to build up a large business in a short time, but proper business relations with consumers probably will insure success and an increase in business.